

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Application of Kansas Gas)
Service, a Division of ONE Gas, Inc. for)
Adjustment of its Natural Gas Rates in the)
State of Kansas.) Docket No. 24-KGSG-610-RTS

**JOINT MOTION TO APPROVE
UNANIMOUS SETTLEMENT AGREEMENT**

Staff of the State Corporation Commission of the State of Kansas ("Staff" and "Commission," respectively), Kansas Gas Service, a Division of ONE Gas, Inc. ("KGS"), the Citizens' Utility Ratepayer Board ("CURB") and WoodRiver Energy, LLC ("WoodRiver"), (collectively, "Joint Movants" and signatory parties to this Joint Motion), pursuant to K.A.R. 82-1-230a, request that the Commission issue an order approving the Unanimous Settlement Agreement ("Agreement"), attached as Exhibit A. In support of this Motion, the Joint Movants state and allege as follows:

1. On March 1, 2024, KGS filed an Application in this docket to make certain changes in its rates and charges for natural gas service. Pursuant to the Commission's Order dated March 7, 2024, the effective date of the Application was suspended until October 28, 2024. On April 4, 2024, the Commission issued an Order establishing a procedural schedule. This matter is currently set for hearing on August 12-14, 2024.

2. On March 1, 2024, CURB requested intervention in this proceeding and was granted intervention on March 12, 2024. On March 19, 2024, WoodRiver filed for intervention which was approved on March 28, 2024. There were no other intervenors in the case.

3. The schedules filed with KGS's Application indicated a need to increase base rates by \$93.1 million, based upon normalized operating results for the 12 months ending September 30, 2023,

adjusted for known and measurable changes in revenues, operating and maintenance expenses, cost of capital and taxes, and other adjustments. The \$93,103,156 increase in base rates includes \$35,029,489 relating to rebasing GSRS surcharge revenues. The net revenue increase to customers was \$58,073,667. In its Application, KGS also requested approval to establish a performance-based rate mechanism – the Annual Performance-based Rate Adjustment ("APRA"). KGS also prepared a rate design that implements an A/B rate structure for residential customers. KGS included a depreciation study and sought new depreciation rates as part of its Application, and KGS updated its depreciation rates as appropriate for utility plant. In support of its Application, KGS submitted the testimony of fourteen (14) witnesses and the schedules required by K.A.R. 82-1-231.

4. On July 1, 2024, Staff filed its direct testimony (including supporting schedules and exhibits) in the above docket recommending an increase in base rates for KGS in the amount of \$66,717,969, which included \$35,029,489 in GSRS surcharges and a net revenue increase to customers of \$31,688,480. Staff also recommended an adjustment to KGS's proposed depreciation rates and made recommendations regarding return on equity ("ROE") and adjustments to the income statement and rate base. Additionally, Staff opposed KGS's proposed APRA rate and A/B rate design.

5. On July 1, 2024, CURB filed testimony in which it recommended an increase in base rates of \$45,799,794, which included \$35,029,489 in GSRS surcharges and a net revenue increase to customers of \$10,770,305, based upon its recommendation concerning rate of return on equity, capital structure and several adjustments to KGS's operating income and rate base. Additionally, CURB opposed KGS's proposed APRA rate and A/B rate design.

6. On July 17, 2024, Staff filed cross-answering testimony.

7. KGS filed rebuttal testimony on July 22, 2024.

8. Subsequently, on July 31, 2024, KGS, Staff, CURB and WoodRiver met to discuss the possible settlement of the issues in this matter. The Joint Movants were able to reach a settlement agreement in principle resolving all issues in the case. The Settlement Agreement was executed and filed with the Commission on August 2, 2024. The resolution of all of the issues is set forth in the Agreement attached hereto as Exhibit A. Since all parties to the docket signed the Agreement, it is considered a unanimous settlement agreement under the Commission's regulations (K.A.R. 82-1-230a).

9. The Joint Movants believe the Agreement represents a reasonable and fair resolution of this matter and that the terms contained therein are in the public interest. Joint Movants believe the Agreement satisfies the three factors that the Commission considers when reviewing a proposed unanimous settlement agreement.

10. As the Commission is aware, the three questions the Commission considers when reviewing proposed unanimous settlement agreements are as follows:

- (a) is the Agreement supported by substantial competent evidence;
- (b) does the Agreement result in just and reasonable rates; and
- (c) are the results of the Agreement in the public interest?¹

11. The parties to this docket are Commission Staff, KGS, CURB and WoodRiver. The Agreement addresses all issues between Staff, CURB, KGS and WoodRiver raised in this proceeding. Representatives from KGS, Staff, CURB and WoodRiver participated in the settlement negotiations in this docket on July 31, 2024. A settlement of all issues was reached by the Joint Movants resulting in the Agreement attached as Exhibit A which is being filed with this Motion. All Parties have had

¹Docket No. 23-ATMG-359-RTS, Order Approving Settlement Agreement, issued May 9, 2023, paragraph 23.

an opportunity to be heard with respect to the terms of the Agreement.

12. The Agreement was fully and fairly negotiated and represents a reasonable compromise based on all Parties' pre-filed positions and will result in just and reasonable rates for KGS's customers. Kansas law recognizes a strong policy favoring and encouraging settlements.² Standards for reviewing the reasonableness of a settlement agreement require the Commission to make a finding, supported by substantial competent evidence from a review of the record as a whole, that the settlement will establish just and reasonable rates.³ That standard is met in this case.

A. THE AGREEMENT IS SUPPORTED BY SUBSTANTIAL COMPETENT EVIDENCE

13. There is substantial competent evidence in the record to support the agreement reached by the Joint Movants. In total, fourteen (14) KGS witnesses filed direct and/or rebuttal testimony along with the testimony of a witness being filed in support of the Agreement. In addition to Staff's and CURB's testimony in support of the Agreement, eleven (11) Staff witnesses and five (5) CURB witnesses also filed direct and cross-answering testimony in this docket. The Agreement is consistent with the testimony filed in this docket and reflects a compromise of the positions taken by the Parties as set forth in their direct and rebuttal testimonies and exhibits.

14. Settlement negotiations were thorough and comprehensive and the Joint Movants had differing opinions about certain items. However, the Joint Movants were able to negotiate a compromise that satisfied each Joint Movant. This was done, in part, by agreeing to a revenue requirement without explicitly stating the resulting conclusions on every item in dispute. Where it was

²*Bright v. LSI Corp.*, 254 Kan. 853, 858, 869 P.2d 686 (1994).

³*Farmland Industries v. Kansas Corporation Commission*, 24 Kan.App.2d 172, 186-188, 943 P.2d 470 (1997); *Citizens' Utility Ratepayer Board v. State Corp. Comm'n of the State of Kansas*, 28 Kan.App.2d 313, 316-317, 16 P.3rd 319 (Kan.App.2000).

necessary to specifically state the settlement reached by the Joint Movants on a particular item for setting future rates or for other reasons, the Joint Movants did so.

B. THE AGREEMENT WILL RESULT IN JUST AND REASONABLE RATES

15. Kansas case law dealing with utility rate cases indicates the "just and reasonable" standard coincides with the "zone of reasonableness" test adopted by the Kansas courts. The "just and reasonable" standard was first outlined by the United States Supreme Court.⁴ The Court emphasized that when evaluating whether rates are just and reasonable, the focus of inquiry is properly on the end result or "total effect" of the rate order, rather than on the specific rate-setting method employed. In addition, the *Hope* case was followed by another Supreme Court case,⁵ which found the Natural Gas Act's articulated "just and reasonable" standard coincides with the applicable constitutional standards and any rate selected by a regulatory commission within the "broad zone of reasonableness" cannot properly be attacked as confiscatory.

16. Applying these standards to the Agreement, the agreed-upon revenue increase of \$70 million falls within the range of increases proposed by Staff, CURB and KGS and is consistent with Kansas law regarding the reasonableness of rates. The Kansas Supreme Court has discussed the "zone of reasonableness" as it applies to the Commission's ratemaking function as follows:

There is an elusive range of reasonableness in calculating a fair rate of return. A court can only concern itself with the question as to whether a rate is so unreasonably low or so unreasonably high as to be unlawful. The in-between point, where the rate is most fair to the utility and its customers, is a matter for the State Corporation Commission's determination.⁶

⁴*Power Comm'n v. Hope Gas Co.*, 320 U.S. 591, 64 S.Ct. 281, 88 L.Ed. 333 (1944).

⁵*Permian Basin Area Rate Cases*, 390 U.S. 747, 770, 88 S.Ct. 1344, 20 L.Ed.2d 312, *reh denied* 392 U.S. 917, 88 S.Ct. 2050 (1968).

⁶*Southwestern Bell Tel. Co. v. State Corporation Commission*, 192 Kan. 39, 41, 386 P.2d 515 (1963).

17. The schedules filed with KGS's Application indicated an increase in base rates of \$93.1 million for KGS. Staff recommended an increase in base rates of \$66.7 million. CURB recommended an increase in base rates of \$45.8 million. Accordingly, the stipulated increase in base rates of \$70 million clearly falls within the zone of reasonableness when one considers the stipulated revenue increase is well within the positions of the Joint Movants. When combined with the evidence presented by the Joint Movants through filed testimony and schedules, the stipulated revenue requirement is supported by substantial competent evidence and results in just and reasonable rates. The stipulated amount also satisfies the balancing test aspect of the zone of reasonableness evaluation because the stipulated amount necessarily represents the Joint Movants' recognition of the risk of litigation and that a party will likely not prevail on every element of the pre-filed case.

18. In addition to the establishment of an overall revenue increase, the other specific provisions of the Agreement were fully and fairly negotiated by the Joint Movants in conjunction with the knowledge that it is unlikely the Commission would accept all of the Joint Movants' pre-filed positions. Each Joint Movant carefully considered the issues before the Commission and used their best judgment and knowledge of Commission precedent to determine where it might be successful and where compromise was warranted and appropriate.

C. THE AGREEMENT IS IN THE PUBLIC INTEREST

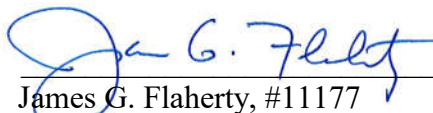
19. Each Joint Movant has a duty to protect the interest of the party it represents. KGS has a duty to its customers, employees and shareholders. The Staff and the Commission are in the unique position of being required to weigh and balance the interests of the company, the customers, and the public generally. CURB represents the interests of residential and small commercial customers. As referenced in the *Kansas Gas & Electric* case, "the focus of the inquiry (in setting "just and

reasonable" rates) is properly on the end result or "total effect" of the rate order, rather than upon the rate-setting employed."⁷ The "total effect" of the terms of the Agreement results in just and reasonable rates and represents an equitable balancing of the interest of all the Parties. Thus, the Agreement is in the public interest and should be approved by the Commission in its entirety.

20. KGS, Staff and CURB will be filing testimony in support of the Agreement on August 6, 2024.⁸

WHEREFORE, for the reasons set forth herein, KGS, Staff, CURB and WoodRiver request this Joint Motion be granted and that the Agreement attached hereto be approved.

Respectfully submitted:



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Attorneys for Kansas Gas Service,
a Division of ONE Gas, Inc.

⁷*Kansas Gas & Electric*, 239 Kan. 483, 489 (1986).

⁸The parties will be requesting at the prehearing conference that the deadline for filing testimony in support of the settlement be extended to August 9, 2024.

/s/ Kyler C. Wineinger

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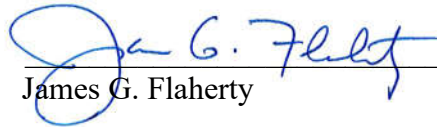
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VERIFICATION

STATE OF KANSAS, COUNTY OF FRANKLIN, ss:

James G. Flaherty, of lawful age, being first duly sworn on oath, states:

That he is the attorney for Kansas Gas Service, a Division of ONE Gas, Inc., named in the foregoing Joint Motion to Approve Unanimous Settlement Agreement, and is duly authorized to make this affidavit; that he has read the foregoing Joint Motion, and knows the contents thereof; and that the facts set forth therein are true.


James G. Flaherty

SUBSCRIBED AND SWORN to before me this 2nd day of August, 2024.





Notary Public

Appointment/Commission Expires:

CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing was sent via U.S. Mail, postage prepaid, hand-delivery, or electronically, this 2nd day of August, 2024, addressed to:

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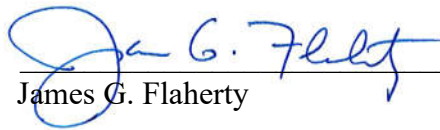
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Service, a Division of ONE Gas, Inc. for)
Adjustment of its Natural Gas Rates in the)
State of Kansas.)
Docket No. 24-KGSG-610-RTS

UNANIMOUS SETTLEMENT AGREEMENT

This Unanimous Settlement Agreement ("Agreement") is entered into between and among the Staff of the State Corporation Commission of the State of Kansas ("Staff"), Kansas Gas Service, a Division of ONE Gas, Inc. ("KGS"), the Citizens' Utility Ratepayer Board ("CURB"), and WoodRiver Energy, LLC ("WoodRiver") (collectively referred to herein as the "Parties"). This Agreement is being submitted to the Commission for its approval pursuant to K.A.R. 82-1-230a.

I. INTRODUCTION

1. On March 1, 2024, KGS filed an Application in this docket to make certain changes in its rates and charges for natural gas service. Pursuant to the Commission's Order dated March 7, 2024, the effective date of the Application was suspended until October 28, 2024. On April 4, 2024, the Commission issued an Order establishing a procedural schedule. This matter is currently set for hearing on August 12-14, 2024.

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adjusted for known and measurable changes in revenues, operating and maintenance expenses, cost of capital and taxes, and other adjustments. The \$93,103,156 increase in base rates includes \$35,029,489 relating to rebasing GSRS surcharge revenues. The net revenue increase to customers was \$58,073,667. In its Application, KGS also requested approval to establish a performance-based rate mechanism – the Annual Performance-based Rate Adjustment ("APRA"). KGS also prepared a rate design that implements an A/B rate structure for residential customers. KGS included a depreciation study and sought new depreciation rates as part of its Application, and KGS updated its depreciation rates as appropriate for utility plant. In support of its Application, KGS submitted the testimony of fourteen (14) witnesses and the schedules required by K.A.R. 82-1-231.

4. On July 1, 2024, Staff filed its direct testimony (including supporting schedules and exhibits) in the above docket recommending an increase in base rates for KGS in the amount of \$66,717,969, which included \$35,029,489 in GSRS surcharges and a net revenue increase to customers of \$31,688,480. Staff also recommended an adjustment to KGS's proposed depreciation rates and made recommendations regarding return on equity ("ROE") and adjustments to the income statement and rate base. Additionally, Staff opposed KGS's proposed APRA rate and A/B rate design.

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II. SETTLEMENT PROVISIONS

A. STIPULATED REVENUE REQUIREMENT

9. The Parties agree that the Commission should authorize an overall annual increase in base rates of \$70,000,000. This increase includes \$35,029,489 related to rebasing GSRS surcharge revenues.

B. MISCELLANEOUS ISSUES

10. The Parties agree the revenue requirement specified in paragraph 9 above includes implementation of the depreciation rates proposed by Staff witness Roxie McCullar and are set forth in Appendix A to this Agreement. KGS agrees it will adopt the depreciation rates in Appendix A. By agreeing to the depreciation rates set forth in Appendix A, KGS is not agreeing to the policy recommendation made by Ms. McCullar. Further, KGS is not precluded from advancing positions or arguments in future rate filings that differ from the policy recommendation made by Ms. McCullar.

11. The Parties agree that nothing in this Agreement constitutes an agreement by the Parties to the capital structure proposals presented in this case and this Agreement does not prevent the Parties from challenging such proposals in the future.

12. KGS agrees to withdraw, without prejudice, (1) its proposed APRA; and (2) its

proposal to implement an A/B rate structure for residential customers.

C. ACCOUNTING MATTERS

13. Subject to the other provisions in this paragraph, for purposes of filing KGS's Ad Valorem Surcharge Rider in December 2024 (and subsequent years until rebased in KGS's next base rate case), the Parties agree that the ad valorem tax expenses embedded in base rates shall be \$36,353,632.

14. Amortization periods and/or expenses are established as follows:

- (a) KGS's actual rate case expense - three years;
- (b) KGS's cyber-security tracker - three years;
- (c) KGS's Pension amortization of (\$5,280,403) and OPEB amortization of (\$667,388) - three years;
- (d) amortization of deferred manufactured gas plant expense of \$902,293 per year as allowed under the order issued in Docket No. 17-KGSG-455-ACT;
- (e) with respect to item 14(c) above, KGS shall have the right to recover any unamortized amount relating to Pension and OPEB deferrals.

15. For the purposes of calculating KGS's pension tracker going forward, the Parties agree that the base rates agreed to in this Agreement include the following expenses:

(a) KGS's Pension Expense:

\$3,704,409

(b) KGS's OPEB Expense:

\$0.00

16. For purposes of calculating KGS's GSRS, the carrying charges to be applied to

recoverable investments in such filings shall be calculated using a carrying charge of 8.97% gross of tax, which is based on state and federal tax rates in effect as of the date of this Agreement. The Parties agree this carrying charge is solely for purposes of subsequent GSRS filings and is not precedential for any other purpose. Should tax rates change between now and the next KGS general rate case, the carrying charge set forth in this paragraph shall be adjusted to reflect the change in the tax rates.

17. For allocating costs among customer classes in a GSRS filing, such costs shall be allocated among KGS's classes of customers based on the rate allocation approved in this rate case.

D. CLASS COST OF SERVICE AND RATE DESIGN

18. The Parties agree that nothing in this Agreement constitutes an agreement by the Parties to the Class Cost of Service Studies presented in this case and this Agreement does not prevent the Parties from challenging such studies in the future.

19. The Parties agree the rate increase shall be allocated among the respective classes of customers according to the amounts indicated for each class as shown in Appendix B attached hereto.

E. WEATHER NORMALIZATION ADJUSTMENT ("WNA") ISSUES

20. For the purpose of calculating the WNA factor, the Parties agree to use Staff's Heating Sensitivity Factors and Staff's Heating Degree Day Normals.

F. EXCESS DEFERRED INCOME TAXES

21. Based upon the pre-filed direct testimony of William E. Baldry (pages 14-23), KGS is permitted to do the following:

(a) Begin amortizing Kansas State excess deferred income tax due to re-measurement over a 30-year period.

(b) Continue to amortize the balances of the protected portions of EDIT using

ARAM.

(c) Amortize the State EDIT (due to the State of Kansas corporate income tax rate for utilities being reduced to zero in 2020), over 30 years.

(d) Recover from customers the \$247,046 excess EDIT refund over a three-year period.

(e) Amortize unprotected EDIT from February 2024 to the time new rates go into effect, over a 30-year period.

(f) Amortize the unprotected portion of the Return to Accrual True-Up over 30 years.

(g) Amortize the protected EDIT portion of the Return to Accrual True-Up using the ARAM methodology. (The unprotected EDIT portion from the previous rate case was fully amortized by February 2024.)

(h) The estimated cost of removal portion of EDIT that was included as a protected asset since December 31, 2017, the time the TCJA went into effect, should now be:

(i) Accounted for as a separate component of KGS's EDIT liability;

(ii) Shown separately from the depreciation expense used in the ARAM calculation;

(iii) Included as an "unprotected" EDIT asset;

(iv) Amortized using the ARAM method of amortization;

(v) Amortized based on the same amortization period as the protected plant, so the portion of EDIT related to the Cost of Removal that was considered as protected since December 31, 2017, would be amortized using the same amortization

period as the protected plant. Protected plant is subject to the ARAM method of amortization.

(i) Although KGS never recorded the EDIT Tracker on its books and the EDIT Tracker was never recorded as a regulatory asset or regulatory liability and KGS did not add any amortization into the present rate case, the EDIT Tracker and the amortization of any tracked balances shall be discontinued into the future to avoid any possible normalization violation.

(j) Include the amortization of EDIT totaling a credit of \$3,821,173 as a component of KGS's cost of service. The amortization will be grossed up for taxes as part of the revenue component.

G. DISCONNECTION AND RE-CONNECTION FEES

22. KGS agrees to reinstate the disconnect and reconnect fees as specified in Index 12 of KGS's approved tariff and charge the actual cost of disconnection and reconnection to the customer if disconnection of service occurs at the main. Parties reserve the right to present arguments concerning disconnect and reconnect fees in Docket No. 24-GIMG-453-GIG. Other proposed changes included in Lorna Eaton's direct testimony shall be implemented.

H. CYBER-SECURITY TRACKER

23. The amount of cyber-security costs included in base rates is \$1,046,538. KGS shall be allowed to continue to use the tracker to defer and recover cyber-security costs in future rate cases.

I. BREHM STORAGE COSTS

24. Costs associated with Brehm Storage shall be removed from base rates and collected through the Company's Cost of Gas Rider ("COGR").

J. REVENUES AND EXPENSES ASSOCIATED WITH SERVICING AND ADMINISTERING AGREEMENTS WITH KGSSI

25. KGS shall establish a regulatory liability relating to revenues and expenses incurred by KGS in servicing and administering the agreements with KGSSI and shall account for same in KGS's next general rate case filing.

III. MISCELLANEOUS PROVISIONS

A. THE COMMISSION'S RIGHTS

26. Nothing in this Agreement is intended to impinge or restrict, in any manner, the exercise by the Commission of any statutory right, including the right of access to information, and any statutory obligation, including the obligation to ensure that KGS is providing efficient and sufficient service at just and reasonable rates.

B. PARTIES' RIGHTS

27. The Parties, including Staff, shall have the right to present pre-filed testimony in support of this Agreement. Such testimony shall be filed formally in the docket and presented by witnesses at a hearing on this Agreement. Such testimony shall be filed on or before August 6, 2024,¹ as required by the procedural schedule filed in this docket.

C. WAIVER OF CROSS-EXAMINATION AND POST-HEARING BRIEFS

28. The Parties waive cross examination on all pre-filed testimony. The Parties agree that all such pre-filed testimony and exhibits may be incorporated into the record without objection. The Parties agree to waive the submission of post-hearing briefs.

D. NEGOTIATED SETTLEMENT

¹The parties will be requesting at the prehearing conference that the deadline for filing testimony in support of the settlement be extended to August 9, 2024.

29. This Agreement represents a negotiated settlement that fully resolves all of the issues in this docket among the Parties. The Parties represent that the terms of this Agreement constitute a fair and reasonable resolution of the issues addressed herein. Except as specified herein, the Parties shall not be prejudiced, bound by, or in any way affected by the terms of this Agreement (a) in any future proceeding; (b) in any proceeding currently pending under a separate docket; and/or (c) in this proceeding should the Commission decide not to approve this Agreement in the instant proceeding. If the Commission accepts this Agreement in its entirety and incorporates the same into a final order without material modification, the Parties shall be bound by its terms and the Commission's order incorporating its terms as to all issues addressed herein and in accordance with the terms hereof, and will not appeal the Commission's order on these issues.

E. INTERDEPENDENT PROVISIONS

30. The provisions of this Agreement have resulted from negotiations among the Parties and are interdependent. In the event that the Commission does not approve and adopt the terms of this Agreement in total, the Agreement shall be voidable and no party hereto shall be bound, prejudiced, or in any way affected by any of the agreements or provisions hereof. Further, in such event, this Agreement shall be considered privileged and not admissible in evidence or made a part of the record in any proceeding.

F. SUBMISSION OF DOCUMENTS TO THE COMMISSION OR STAFF

31. To the extent this Agreement provides for information, documents or other data to be furnished to the Commission or Staff, such information, documents or data shall be filed with the Commission and a copy served upon the Commission's Director of Utilities. Such information, documents, or data shall be marked and identified with the docket number of this proceeding.

IN WITNESS WHEREOF, the Parties have executed and approved this Stipulated Settlement Agreement, effective as of the 2nd day of August, 2024, by subscribing their signatures below.



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**Kansas Gas Services Company
Summary of Depreciation Rates**

Account	Description A	Current			Staff Recommendation			
		Investment	Net Salvage	Accrual	Investment	Net Salvage	Accrual	Difference
		Accrual	Accrual	Rate	Accrual	Accrual	Rate	from Current
		C	D	E	J	K	L	M
TRANSMISSION PLANT								
365.20	Rights of Way	1.42%	-0.01%	1.41%	1.36%	-0.01%	1.35%	-0.06%
366.10	Compressor Station Structures	2.20%	0.75%	2.95%	1.86%	0.62%	2.48%	-0.47%
366.20	Meas. and Reg. Station Structures	1.67%	0.51%	2.18%	1.39%	0.43%	1.82%	-0.36%
367.00	Mains	1.92%	0.46%	2.38%	1.67%	0.48%	2.15%	-0.23%
368.00	Compressor Station Equipment	2.71%	0.82%	3.53%	2.54%	0.76%	3.30%	-0.23%
369.00	Meas. and Reg. Station Equipment	2.48%	0.70%	3.18%	2.16%	0.64%	2.80%	-0.38%
	Total Transmission Plant	1.99%	0.49%	2.48%	1.75%	0.49%	2.24%	-0.24%
DISTRIBUTION PLANT								
374.20	Rights of Way	1.45%	0.00%	1.45%	1.48%	0.00%	1.48%	0.03%
375.00	Structures and Improvements	3.30%	0.54%	3.84%	2.95%	0.47%	3.42%	-0.42%
376.10	Mains - Metallic	1.56%	0.90%	2.46%	1.51%	1.32%	2.83%	0.37%
376.20	Mains - Plastic	2.08%	0.58%	2.66%	1.95%	0.54%	2.49%	-0.17%
376.90	Mains - Cathodic Protection	6.67%		6.67%	← 15 Year Amortization →		6.67%	0.00%
378.00	Meas. and Reg. Station Equip. - General	1.89%	0.55%	2.44%	1.64%	0.64%	2.28%	-0.16%
379.00	Meas. and Reg. Station Equip. - City Gate	1.60%	0.53%	2.13%	1.51%	0.96%	2.47%	0.34%
380.10	Services - Metallic	2.06%	2.57%	4.63%	3.96%	3.17%	7.13%	2.50%
380.20	Services - Plastic	2.32%	1.37%	3.69%	2.11%	1.80%	3.91%	0.22%
381.00	Meters	2.71%	0.13%	2.84%	2.78%	0.13%	2.91%	0.07%
381.50	AMR Communication Devices	6.67%		6.67%	← 15 Year Amortization →		6.67%	0.00%
382.00	Meter Installations	2.11%	1.09%	3.20%	2.06%	1.09%	3.15%	-0.05%
383.00	House Regulators and Installations	1.88%	0.09%	1.97%	1.78%	0.17%	1.95%	-0.02%
386.00	Other Property - Customer Premises	16.24%	0.00%	16.24%	10.92%	0.00%	10.92%	-5.32%
	Total Distribution Plant	2.30%	0.88%	3.18%	2.19%	1.10%	3.29%	0.11%
GENERAL PLANT								
Depreciable								
390.10	Structures and Improvements	1.53%	0.04%	1.57%	1.45%	0.04%	1.49%	-0.08%
392.00	Transportation Equipment	6.00%	-1.09%	4.91%	4.80%	-0.91%	3.89%	-1.02%
396.00	Power Operated Equipment	5.37%	-0.63%	4.74%	4.19%	-0.68%	3.51%	-1.23%
	Total Depreciable	4.00%	-0.54%	3.46%	3.28%	-0.47%	2.81%	-0.65%
Amortizable								
391.10	Office Furniture and Equipment	5.00%		5.00%	← 20 Year Amortization →		5.00%	0.00%
391.25	Computer Equipment	14.29%		14.29%	← 7 Year Amortization →		14.29%	0.00%
393.00	Stores Equipment	5.00%		5.00%	← 20 Year Amortization →		5.00%	0.00%
394.00	Tools, Shop and Garage Equipment	6.67%		6.67%	← 15 Year Amortization →		6.67%	0.00%
395.00	Laboratory Equipment	6.67%		6.67%	← 15 Year Amortization →		6.67%	0.00%
397.00	Communication Equipment	6.67%		6.67%	← 15 Year Amortization →		6.67%	0.00%
398.00	Miscellaneous Equipment	5.00%		5.00%	← 20 Year Amortization →		5.00%	0.00%
	Total Amortizable	7.26%	0.00%	7.26%	0.00%	0.00%	7.26%	0.00%
	Total General Plant	4.75%	-0.42%	4.33%	4.20%	-0.36%	3.84%	-0.50%
	TOTAL GAS UTILITY	2.43%	0.73%	3.16%	2.27%	0.92%	3.19%	0.02%

Sources:

Direct Testimony and Schedule of Roxie McCullar
Schedule RMM-2

Kansas Gas Service Rates/Proof of Revenue REDACTED											
Class	Customer Count	Volumes	Current Service Charge	Current Delivery Charge	Revenues at Current Rates	Proposed Service Charge	Proposed Delivery Charge	Revenues at Proposed Rates	Revenue Increase	Percentage Increase	
Residential	590,821	43,266,022	\$ 18.18	\$ 2.3485	\$ 230,503,866	\$ 21.75	\$ 2.9769	\$ 283,003,026	\$ 52,499,160	22.78%	
General Service - Small	36,970	4,596,298	\$ 27.88	\$ 2.3472	\$ 23,157,049	\$ 32.20	\$ 2.8704	\$ 27,478,347	\$ 4,321,298	18.66%	
General Service - Large	11,908	6,404,866	\$ 43.11	\$ 1.8145	\$ 17,782,088	\$ 54.00	\$ 2.1369	\$ 21,403,208	\$ 3,621,120	20.36%	
General Service - TE	639	2,488,751	\$ 53.70	\$ 1.8177	\$ 4,935,859	\$ 59.00	\$ 1.8549	\$ 5,069,124	\$ 133,265	2.70%	
Small Generator Service	745	22,208	\$ 51.36	\$ 0.6427	\$ 473,189	\$ 54.00	\$ 2.7388	\$ 543,329	\$ 70,140	14.82%	
Irrigation Sales	178	90,370	\$ 33.95	\$ 1.6890	\$ 225,134	\$ 45.00	\$ 2.0809	\$ 284,147	\$ 59,013	26.21%	
Irrigation Transport	504	888,804	\$ 33.61	\$ 0.9574	\$ 1,054,391	\$ 45.00	\$ 1.1875	\$ 1,327,852	\$ 273,461	0.00%	
Sales for Resale (1)			\$ 68.14	\$ 1.2497		\$ 80.00	\$ 1.5894				
*** Sales for Resale - BH (1)			\$	\$ 1.2497		\$	\$ 1.5894				***
Small Transport k-System	3,349	5,991,815	\$ 55.66	\$ 1.4598	\$ 10,983,520	\$ 59.00	\$ 1.8549	\$ 13,485,140	\$ 2,501,619	22.78%	
Small Transport t-System	1,184	1,973,247	\$ 55.16	\$ 1.9170	\$ 4,566,524	\$ 59.00	\$ 2.3272	\$ 5,430,515	\$ 863,991	18.92%	
CNG k-System	10	345,958	\$ 36.24	\$ 0.8199	\$ 288,000	\$ 50.00	\$ 0.9359	\$ 329,782	\$ 41,782	14.51%	
CNG t-System	2	83,094	\$ 33.89	\$ 0.9674	\$ 81,198	\$ 50.00	\$ 1.1323	\$ 95,287	\$ 14,089	17.35%	
Wholesale Transport	37	1,318,548	\$ 33.61	\$ 1.7452	\$ 2,316,138	\$ 50.00	\$ 1.8596	\$ 2,474,298	\$ 158,160	6.83%	
Large Transport k - Tier 1	159	870,794	\$ 249.46	\$ 0.9023	\$ 1,262,830	\$ 280.00	\$ 1.1105	\$ 1,502,540	\$ 239,710	18.98%	
Large Transport k - Tier 2	107	1,650,298	\$ 271.32	\$ 0.9023	\$ 1,836,218	\$ 300.00	\$ 1.1105	\$ 2,216,506	\$ 380,288	20.71%	
Large Transport k - Tier 3	67	2,040,836	\$ 298.26	\$ 0.9023	\$ 2,081,098	\$ 320.00	\$ 1.1105	\$ 2,523,468	\$ 442,370	21.26%	
Large Transport k - Tier 4	65	7,988,610	\$ 258.03	\$ 0.9023	\$ 7,409,145	\$ 300.00	\$ 1.1105	\$ 9,105,071	\$ 1,695,926	22.89%	
Large Transport t - Tier 1	23	136,065	\$ 341.68	\$ 1.3521	\$ 277,337	\$ 430.00	\$ 1.8049	\$ 363,080	\$ 85,743	30.92%	
Large Transport t - Tier 2	23	380,141	\$ 396.12	\$ 1.3521	\$ 622,525	\$ 480.00	\$ 1.8049	\$ 817,636	\$ 195,111	31.34%	
Large Transport t - Tier 3	27	748,624	\$ 461.48	\$ 1.3521	\$ 1,163,811	\$ 500.00	\$ 1.8049	\$ 1,515,442	\$ 351,631	30.21%	
Large Transport t - Tier 4	24	4,456,291	\$ 397.53	\$ 1.3521	\$ 6,138,051	\$ 470.00	\$ 1.8049	\$ 8,176,405	\$ 2,038,354	33.21%	
Totals	646,850	85,775,027			\$ 317,206,268			\$ 387,204,693	\$ 69,998,425	22.1%	

(1) Sales for Resale and Sales for Resale - BH are combined for purposes of calculating the Gas System Reliability Surcharge.